



**MINUTES
CITY COUNCIL REGULAR MEETING
December 15, 2020**

CALL TO ORDER

The meeting was called to order at 6:34 pm.

Present: Mayor: Charlie Miner; Council: Tom Skjaret, Jahn Dyvik, and Deirdre Kvale

Staff Present: City Administrator: Scott Weske

Absent: Council: Michelle Jerde

PLEDGE OF ALLEGIANCE

MAYOR'S COMMENTS – LONG LAKE NEWS, MEETING REVIEW AND UPDATES

Mayor Miner noted that there was a brief EDA meeting prior to the Council meeting where they discussed the EDA owned property at 1905 W Wayzata Boulevard.

The Long Lake Fire Department hosted a successful food drive on Saturday, December 12, 2020 for Western Communities Action Network.

Mayor Miner wished everyone a happy Hannukah and a merry Christmas and noted that although it may look a bit different this year, he hoped residents would get to spend time with those close to them. He encouraged everyone to continue to frequent the local businesses and restaurants as much as possible so they will still be around after the pandemic.

APPROVE AGENDA

A motion was made by Dyvik, seconded by Skjaret, to approve the agenda as presented. Ayes: all by roll call.

CONSENT AGENDA

- A. Approve Minutes of November 24, 2020 City Council
- B. Receive Minutes of November 24, 2020 EDA Meeting
- C. Approve Minutes of December 1, 2020 City Council Work Session
- D. Approve Minutes of December 1, 2020 City Council Meeting
- E. Approve Vendor Claims and Payroll
- F. Receive 4th Quarter 2020 YTD Preliminary Revenues and Expenditures as of December 10, 2020
- G. Adopt Resolution No. 2020-50 Designating the Polling Place of the Precinct within the City of Long Lake
- H. Adopt Resolution No. 2020-51 Accepting a Donation to the Long Lake Fire Department from the Long Lake Fire Relief Association in the Amount of \$4,496 to Purchase Three Zoll AEDs and Hard Cases
- I. Adopt Resolution No. 2020-53 Appointing Resident Tim Hultmann to the Position of Economic Development Authority Member Serving a Term Effective January 2021 through December 31, 2022
- J. Adopt Resolution No. 2020-54 Accepting a Donation to the Long Lake Fire Department in the Amount of \$1,500 to Purchase a Zoll AED and Hard Case

- K. Adopt Resolution No. 2020-55 Approving the Issuance of 2020 Residential and Commercial Refuse Hauler Licenses
- L. Approve Ordinance No. 2020-07 Adopting the 2021 Fee Schedule for the City of Long Lake, and Direct Staff to Publish a Summary Ordinance

Council member Kvale stated that she would like to move item I to the new year to allow the incoming Council to make the determination on who should serve on the EDA.

City Administrator Weske suggested that the Council take a vote on the Consent Agenda and if Council member Kvale prefers, she can vote against it.

A motion was made by Dyvik, seconded by Skjaret to approve the Consent Agenda, as presented.

Council member Skjaret noted that the City is refunding the liquor licensees for one month of their fees in order to assist in supporting their businesses, which is the second time this year this has happened.

Roll Call Vote - Ayes: Dyvik, Skjaret, Miner, Nay: Kvale. Motion carried.

City Clerk Moeller noted that because the Consent Agenda was approved without a super majority 4/5 vote, there is a technicality with item L that must be addressed. She explained that the fee schedule ordinance adoption only requires a 3/5 vote; however, authorization to publish a summary ordinance requires a 4/5 vote. She suggested that the Council take a separate action to publish a summary ordinance for the 2021 Fee Schedule.

A motion was made by Kvale, seconded by Dyvik, to approve Ordinance No. 2020-07 adopting the 2021 fee schedule for the City of Long Lake, and to direct staff to publish a summary ordinance. Ayes: all by roll call.

OPEN CORRESPONDENCE

Tim Hultmann, 283 Lakeview Avenue, asked for clarification of the comment made by Council member Skjaret regarding refunding of the liquor license.

Council member Skjaret reiterated that the action taken during the Consent Agenda was for the City to refund one month's portion of the liquor licenses for the holders in the community, to help compensate them for the loss of business due to the pandemic.

Mr. Hultmann asked the City to look at the possibility of forgiving the cost of a liquor license for 2021 from January through December for the restaurants in the City. He asked if that would be possible in a legal sense for the City to undertake this with assistance of EDA transferring money to the City coffers. He stated that he is not including the liquor stores in this request because they have both done very well throughout the pandemic. He asked if staff, the City Attorney, EDA and the City Council could take a look and consider this possible action.

BUSINESS ITEMS

Authorize Long Lake's Participation in the Joint and Cooperative Agreement for Public Safety Purchasing

Fire Chief Van Eyll explained that the Fire Department is an active participant in the Hennepin County automatic aid/mutual aid box alarm system and would like to participate in a Joint and Cooperative Agreement for public safety purchasing in an effort to allow all participating organizations the ability to purchase the same equipment such as firefighting gear, hose, and ladder

testing. He gave the example of firefighting gear where this agreement would save the City almost \$300 per set of gear.

Council member Skjaret asked for confirmation that this agreement would not obligate the City to make every purchase through this agreement, but would give the flexibility to find the best price or product.

Fire Chief Van Eyll replied that this was correct.

Council member Kvale asked if there was a fee to be part of the agreement.

Fire Chief Van Eyll responded that there are no fees associated with belonging to the purchasing agreement.

A motion was made by Dyvik seconded by Skjaret, to adopt Resolution No. 2020-52 authorizing Long Lake's participation in the Joint and Cooperative Agreement for Public Safety Purchasing. Ayes: all by roll call.

Approval of Long Lake Fire Department Relief Association Deferred Interest Rate for 2021

Fire Chief Van Eyll explained that the Fire Relief Association Board has chosen to approve a 5% rate of return for calendar year 2021 for deferred members whose retirement is still with the Relief Association and who retired after January 1, 2012, but noted that it also needs Council approval.

Council member Dyvik questioned what the rate of return was for 2020.

Fire Chief Van Eyll stated that it was 0% for the deferred members based on 2018 information and today's request is based on 2019 information.

Council member Kvale asked about the rate for non-deferred members.

Fire Chief Van Eyll explained that there are very few non-deferred members that leave their money in the account. He noted that most of them take their retirement out of the account and roll it into an IRA or something similar.

A motion was made by Skjaret, seconded by Miner, to approve the deferred interest rate of 5% for the calendar year 2021 for all Long Lake Volunteer Fire Relief Association deferred members whose retirement is still with the association and who retired after January 1, 2012.

Council member Kvale temporarily lost her internet connection.

Fire Chief Van Eyll stated that the food donation event that happened on December 12, 2020 raised \$1,500 in cash and over 800 pounds of food. He thanked everyone who participated in this event to make it successful.

Council member Kvale returned to the meeting.

Ayes: all by roll call.

Final 2021 Payable Levy and 2021 Budget – Adoption of Final Payable 2021 Levy, City Budget, Capital Improvement Program, and Pay Plan Resolutions

City Administrator Weske gave an overview of the proposed Final Operating Levy for 2021 of \$1,140,498 and the Debt Service Levy of \$82,885 for a total Final Levy amount of \$1,223,383. He

stated that this is a 9.3% increase compared to 2020 payable levy. Staff is proposing a reduction from the adopted 2021 Preliminary Levy of \$28,581.66 in order to keep the tax rate as close to the same as possible for 2021 versus 2020. With the levy surplus, staff will create the Pavement Management Fund and allocate the remaining \$20,000 into the COVID-19-line item under the General Fund for possible unexpected COVID expenses, and authorize staff to redirect the tower rent revenue from the 406 Fund to the newly created Pavement Management Plan fund which is around \$52,000/year. He shared some suggestions that staff has come up with for possible capital improvement consideration. He reviewed the status of the City's Enterprise Funds; including Water – projected cash loss of \$61,000; Sewer – projected cash loss of \$217,000; Storm Water – projected cash loss of \$4,000; and Recycling.

Council member Dyvik asked why the Police contract amount increased.

City Administrator Weske stated that there is an inflator included in the contract, so the contract amount went up by 2 or 3%.

Council member Dyvik asked for more information on the balances in the Water and Sewer Funds.

Weske noted that balance information was not included in the packet, but he can say that the Sewer Fund will be negative by around \$130,000-\$160,000 and the Water Fund will be positive and is close to \$1,000,000.

Mayor Miner liked the capital improvement consideration of retrofitting the streetlight heads with LED lights and asked if Xcel Energy offered any rebates for upgrades.

Weske responded that there is an annual program that would help the City offset some of these costs. The biggest issue for the City will be to determine which streetlight fixtures are owned and which ones are rented.

Council member Skjaret recalled that he thought Xcel came through his neighborhood not too long ago and switched out the bulbs for LED lights.

Public Works Director Diercks affirmed this was correct and in Council member Skjaret's part of town, there are cobra head style lights which were all changed to LEDs within the last few years. He stated that essentially everything east of Brown Road and south of Highway 12 are the acorn style lights which the City owns. He noted that there are over 100 lights, and those are the ones staff would be looking at for an LED upgrade.

Mayor Miner asked about the proposed flooding system and new rink at Holbrook Park and asked if this was on the Park Board's wish list. He stated that he wanted to make sure the City is being sensitive to the priority list that they have created.

Weske explained that this suggestion was internal because of the current procedures for flooding and the size and conditions of the rink. He clarified that this was as staff level decision as a way to save money on water, operations and maintenance.

Diercks explained that the flooding process is currently very labor intensive.

Council member Dyvik commented that the decision of creating one more rink could be a Park Board decision.

Council member Kvale commented that she thinks that type of decision should await the new Council because it will require more discussion. She stated that she believes the City is overtaxing

the residents. She explained that the City received a comment from someone questioning the City's choices and why her tax bill was increasing. Council member Kvale asked for clarification on the step system for staff pay raises. She understands that the City is doing pretty well in terms of what was budgeted, but she doesn't understand why, in a year with a pandemic, the City is increasing their levied amount over the prior year so there is a large surplus and also voting for huge pay raises.

City Administrator Weske clarified that if someone's home valuation increased their taxes would also increase, which has nothing to do with the City.

Council member Dyvik stated that he likes the idea of transferring most of the surplus to the Pavement Management Fund which is sorely needed. He also likes that the City is redirecting the tower money to that fund as well.

Council member Kvale expressed concerns that this may not be the year to create the Pavement Management Fund and reiterated that she feels the City is over-levying in a year that is not a good year to do that because of the pandemic. She stated again that she doesn't understand the step system for staff salaries.

City Administrator Weske stated that the City's budget is always levied because there is not cash on hand so there will always need to be a levy for those funds. He gave an overview of the step system for salaries and explained that someone who comes to the City with 10 years of experience does not start at Step 1. He pointed out that everyone that has longevity with the City has completely stepped out of the system, which is all the City's employees other than the Finance Officer and one Public Works employee. He stated that the other people have been sitting at Step 8 for years and the only increase they have been eligible for is the sliding scale salary increase. He noted that there are also no individual merit increases or cost of living increases.

Council member Dyvik asked if the problem was that there were not enough steps. He asked if this system was used by all cities.

City Administrator Weske explained that many cities have a step system or a fixed step plus a cost-of-living increase. The issue is created by the longevity of staff.

The Council discussed the percent increases that were outlined for the employees as well as the increase in property values for the homes in Long Lake for 2021.

Council member Kvale reiterated her concerns that the City is planning significant salary increases in a year with a pandemic.

Council member Skjaret offered some long-term insight into what the City has done over the last 12-15 years. He recalled that the City froze salaries in 2008 for a number of years and the result of that was that they lost the City Administrator and the City Planner. He stated that for various reasons that ended up being a very expensive decision. He commented that he feels it is important for the City to be able to offer competitive salaries to its staff and there is never a good time to do so. He wants to make it clear that the City is not increasing the levy and Council member Kvale should not be saying that. Property values have increased so the City is able to collect a little bit more and this is not a surplus, it is a reserve and is a very small amount of money. He indicated that Council member Kvale saying that the City should not offer City staff a small increase to become partially current with their competitors is very short sighted, and he found it disturbing that this is the action that she is recommending. Public employees should not suffer because there is a downturn in the economy. He explained that he supports this pay raise and is somewhat

disappointed that the City is not going to the full amount originally discussed. He reiterated that the City's final levy would maintain the same City tax rate.

Council member Kvale stated that the City does not have the same levy.

Council member Skjaret clarified that the levy is the percentage of your property that is paid in property taxes. The amount she is referencing is the amount that the City is collecting because the property value has gone up and reiterated once again that the levy rate has not changed.

The Council discussed past practices in the City with regarding to levies and staff pay.

Council member Skjaret noted that he thinks the City staff has been essential in keeping things running smoothly despite the pandemic and noted that by recruiting and retaining the talented employees in the City this is a highly functional small City government. He stated that they work well with each other, other departments, and surrounding cities, which is a very difficult thing to achieve and he has been part of the Council when that has not been the case. He noted that he feels strongly that the City needs to be able to keep its people and pay is part of what will help them stay. He reiterated that he is in full support of this proposed pay for staff.

A motion was made by Skjaret, seconded by Dyvik, to adopt Resolution No. 2020-46, Establishing Final 2021 City Budget. Roll Call Vote - Ayes: Dyvik, Skjaret, Miner. Nay: Kvale. Motion carried.

A motion was made by Dyvik, seconded by Skjaret, to adopt Resolution No. 2020-47 Establishing Final Levy Collectible in 2021. Roll Call Vote - Ayes: Dyvik, Skjaret, Miner. Nay: Kvale. Motion carried.

Mayor Miner asked if approval of the 2021 CIP was really just setting aside \$75,000 to be earmarked for CIP use and does not identify exactly what it will be spent on.

Weske confirmed that this understanding was correct and the proposed CIP represents line items that the City may want to spend that money on in the coming year. He stated that where CIP funds are used can always be changed and can be looked at throughout the year as needs arise.

A motion was made by Skjaret, seconded by Dyvik, to adopt Resolution No. 2020-48, Establishing 2021 Capital Improvement Plan.

Council member Dyvik stated that he wants to be clear that this does not come out of the levy and will come out of existing funds that the City already has.

Weske noted that some cities do choose to levy for the CIP projects, but Long Lake has chosen not to do that.

Council member Kvale questioned why the City needed to even move this amount to the balance sheet because there are funds that can be used for CIP, and further asked why the City needed to even vote on this tonight.

Weske explained that the auditors have advised the City that is the best practice to have a specific capital improvement plan because the items it lists are not cash valued budget items.

Roll Call Vote - Ayes: Dyvik, Skjaret, Miner. Nay: Kvale. Motion carried.

A motion was made by Skjaret, seconded by Dyvik, to adopt Resolution No. 2020-49, Establishing the 2021 Pay Plan.

Council member Dyvik noted that if the City looks at the 3% cost of living raise compared to the percentages listed in the pay plan, it is only a difference of about \$10,000.

Council member Kvale commented that the City is considering pay increases, but much of the staff time is being allocated to Sewer and Water Funds which are already over budget. She stated that doing so would mean the City is choosing to raise the deficit in those funds.

Weske noted that however it is allocated it is still just a difference of about \$10,000. As an example, he indicated that when someone is doing water work, the utilities are paying for that job.

Council member Kvale emphasized that she is not saying that people don't deserve pay raises. She stated that the City is increasing the levy, gathering a surplus, giving everyone a pay raise, and there is currently a high unemployment rate and people's taxes are going up. She would like to see when the City does reviews and takes a look at job performance as a measure for pay raises. She stated that she would like to have a conversation about whether this is the best time to do lock step pay raises.

Weske explained that allocation of salaries to various funds are also working towards aligning with worker's compensation which has values on risk. He gave the example of Fire Chief Van Eyll and explained that even though he doesn't go into many fires, he is at the highest rate of risk for dying on the job with relation to worker's compensation. He discussed how they align work for Public Works employees to balance the duties and the risk with regard to worker's compensation.

Roll Call Vote - Ayes: Dyvik, Skjaret, Miner. Nay: Kvale. Motion carried.

A motion was made by Skjaret, seconded by Miner, to authorize staff to utilize the surplus as outlined in the staff report under "Utilizing the Levy Surplus". Ayes: all by roll call.

Recognition of Outgoing Council Members Michelle Jerde and Tom Skjaret

City Clerk Moeller explained that it is unfortunate that Council member Jerde was unable to attend tonight's meeting. She stated that staff has had a great relationship with Council members Skjaret and Jerde who have both served on various boards and commissions in the City over their years of served. She commented that staff has appreciated their support, positive attitudes and their work within the community. She indicated that there are plaques that will be delivered to their residences in recognition of their community service.

Mayor Miner shared highlights of Council member Jerde's work with the City and noted that she has been a member of the Council since 2017, served on the Planning Commission from 2012-2016, and served on the Park Board from 2011-2012. As a Council member, she focused on the County Road 112 Landscaping Committee, acted as the Council's liaison to the Park Board, assisted with the 2040 Comprehensive Plan, and was an advocate for how Canadian geese were treated in the City. He stated that he has enjoyed serving with her.

Mayor Miner reviewed highlights of Council member Skjaret's work with the City and noted that he was most recently a Council member from 2017 to present, served on the Council from 2011 to 2014 as well, and served as a member of the Planning Commission from 2007-2010. As a Council member, he focused on serving as the Council's liaison to the Planning Commission; and has maintained a passion for the local trails and keeping them clean, advocating for affordable housing in the City, supporting local businesses, and advocating for the City employees. He stated that he has personally appreciated Council member Skjaret's institutional knowledge because of his longevity in the City. He noted that Council member Skjaret has been the go-to guy for motions, so someone else on the Council is going to have to step up and get those done.

Council member Skjaret commented that long ago he was told that time spent in service of others is time well spent. He indicated that he has been grateful to the citizens of Long Lake for electing him and trusting him to help make City decisions, twice. He expressed his appreciation to City staff for their time spent educating him and answering his questions that were oftentimes foolish. He stated that he is honored to have been able to have fellowship with each of them and he doesn't take it lightly that they have shared things about all of their families with him. He thanked both his past and current fellow Council members for putting up with him. He noted that he could not leave without expressing his appreciation for his biggest advocate, Sally, his wife of 35+ years. He explained that she has always been his biggest supporter in public service, serves as his sounding board and his voice of reason, and added that any good idea that he has brought to the Council has been Sally verified and vetted. He closed in sharing that he will need to find a new hobby to fill his Tuesday nights.

Council member Kvale stated that although she and Council member Skjaret have disagreed on many things, she has found it very interesting when they have been the only two Council members that agree on something. She added that this has been her first experience in public service and she has learned many things from Council member Skjaret.

Council member Dyvik shared that he has really enjoyed working with Council member Skjaret despite the fact that they many times disagreed and had to compromise. He stated that he has thoroughly enjoyed having him on the Council and serving alongside him because he brings both a historical perspective and wisdom. He noted that it may not have always seemed like it, but he always has and always will respect his wisdom.

Weske added that he has appreciated working alongside both Council member Jerde and Council member Skjaret and their hard work is going to show in 2021. He voiced that he suspects that he will still be calling on Council member Skjaret for help in the future.

OTHER BUSINESS

Appreciation to Outgoing Council Members - Fire Chief Van Eyll expressed his appreciation to Council members Jerde and Skjaret for all their help and support of the Fire Department. Public Works Director Diercks added that both Council member Skjaret and Council member Jerde were involved in his hiring and he thanked them for their unconditional support through the years.

Well House Generator – Diercks stated that he is hopeful that the generator project at the well house will be completed within the next 10 days.

2021 Hanging Basket Order, Gregor Farms – Diercks indicated that he had received an e-mail earlier in the afternoon from Gregor Farms asking if the City is interesting in doing the hanging baskets for the 2021 season, and explaining that Gregor Farms would honor the 2020 pricing with a 2021 order. He noted that they are leaving the area for the winter and wanted to know if Long Lake would approve that decision tonight before they head south. Council member Dyvik observed that he thinks the hanging baskets have been getting better every year, and he would be supportive of ordering for the 2021 season. Diercks added that they did communicate about varieties with Gregor Farms and they would be going with less of the dark blue and will use more white next year.

A motion was made by Dyvik, seconded by Skjaret, to repeat the hanging baskets order with Gregor Farms at the quoted 2020 pricing.

Council member Kvale asked whether the expense had already been included in the budget.

Diercks replied that the purchase had been included in the budget, and noted that most of the hardware will be reused other than the wicks because of their limited life cycle.

Ayes: all by roll call. Motion carried.

Charles Cudd Permitting Update - Weske reported that there are two building permit applications in progress for the Charles Cudd homes, and staff is hopeful that by the first of the year there may be two homes that are ready to start building.

Special Meetings on December 29 - Mayor Miner reminded everyone that a special Council meeting would be held on December 29, 2020, with a special EDA meeting held prior to that.

ADJOURN

Hearing no objection, Mayor Miner adjourned the meeting by general consent at 8:15 pm.

Respectfully submitted,

Scott Weske
City Administrator